

Message Text

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PAGE 01 LISBON 03003 160000Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 TRSE-00 SP-02 USIA-06 AID-05

NSC-05 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00

FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04

SIL-01 L-03 H-01 PA-01 PRS-01 /086 W

-----161012Z 100278 /12

R 141615Z APR 77

FM AMEMBASSY LISBON

TO SECSTATE WASHDC 0971

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DEPT. PASS TREASURY FOR SYVRUD

E.O. 11652: N/A

TAGS: ECON, EFIN, PO

SUBJECT: REPORT OF CONSORTIUM FAILURE

SUMMARY. LISBON PRESS HAS REPORTED POSSIBLE FAILURE OF ATTEMPTS TO CONCLUDE CONSORTIUM LOAN AND GOP PLAN TO SEEK \$600 MILLION BILATERAL U.S. OAN. EMBASSY KNOWS OF NO SUCH PLAN. END SUMMARY.

1. LISBON WEEKLY "EXPRESSO" HIGHLIGHTED APRIL 15 EDITION WITH REPORT ENTITLED, "HAS THE BILLION AND A HALF CONSORTIUM LOAN FAILED?" ARTICLE ALLEGED THAT "RETICENCE OR REFUSALS" OF UNSPECIFIED POTENTIAL CONSORTIUM PARTNERS (U.S., FRG, FRANCE, NORWAY, HOLLAND AND JAPAN NAMED) HAD REDUCED CHANCES OF CONSORTIUM, AND THAT USG HAD SO ADVISED AMBASSADOR THEMIDO IN WASHINGTON.

2. ACCORDING TO "EXPRESSO," PRIMARY OBJECTIVE OF FORTHCOMING SOARES TRIP TO U.S. IS TO SECURE ALTERNATIVE BILATERAL USG \$600 MILLION LOAN, WHICH WOULD HAVE BEEN CONTRIBUTED BY U.S. UNDER CONSORTIUM. "EXPRESSO" SPECULATED THAT USG WOULD CONDITION ANY SUCH LOAN ON GOP ACCEPTANCE OF ECONOMIC MEASURES

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RECOMMENDED AND SUBSEQUENTLY SUPERVISED BY IMF. "EXPRESSO" REPORTED THAT NEW ECONOMIC REFORM PACKAGE WAS BEING PREPARED BY FINANCE MINISTRY TO SUPPORT NEW LOAN REQUEST.

3. "EXPRESSO" REPORTED GERMANS "DO NOT HAVE CATASTROPHIC VIEW OF PORTUGUESE ECONOMY AND ARE DISPOSED TO CONTINUE ASSISTANCE THROUGH NORMAL CHANNELS."

4. COMMENT: "EXPRESSO" CONSISTENTLY REFLECTS POLITICAL LINE OF SOCIAL DEMOCRATIC PARTY, SOCIALISTS' CHIEF DEMOCRATIC RIVAL. IT HAS OFTEN ATTEMPTED TO EMBARRASS THE SOARES GOVERNMENT OVER THE QUESTION OF FOREIGN FINANCIAL AID IN GENERAL, AND SPECIFICALLY THE CONSORTIUM LOAN. GOP OFFICIALS CERTAINLY HAVE NOT INDICATED THAT THEY HAVE GIVEN UP ON CONSORTIUM LOAN AND WOULD SEEK A SUBSTITUTE BILATERAL LOAN AGREEMENT DURING SOARES VISIT. CARLUCCI

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, ECONOMIC CONDITIONS, CONSORTIUMS, ECONOMIC PROGRAMS, LOANS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Apr-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LISBON03003
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770132-1258
Format: TEL
From: LISBON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770458/aaaabyap.tel
Line Count: 72
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Litigation History:
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Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 09-Dec-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2808529
Secure: OPEN
Status: NATIVE
Subject: REPORT OF CONSORTIUM FAILURE SUMMARY. LISBON PRESS HAS REPORTED POSSIBLE FAILURE OF ATTEMPTS TO CONCLUDE CONSORTIUM LOAN AND GOP PLAN TO SEEK \$
TAGS: ECON, EFIN, PO, XG, US
To: STATE
Type: TE
vdkgvwkey: odbcr://SAS/SAS.dbo.SAS_Docs/0f4123a5-c288-dd11-92da-001cc4696bcc
Review Markings:
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